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July 20, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Joan V. Schiffrers  
Claims Analyst III  
Shand Morahan & Company, Inc.  
Shand Morahan Plaza  
Evanston, IL 60201

**Re: Potential Claim for Environmental Damage in the  
Coeur d'Alene Basin, Northern Idaho  
Insured: Marmon Holdings, Inc., et al.  
Policy Nos.: LE 10321 (2/1/82 - 10/1/82)  
LE 10343 (10/1/82 - 10/1/83)  
Issuing Co.: Evanston Insurance Company  
SM File #: RD 102885**

Dear Ms. Schiffrers:

We have received your letter of May 27, 1998, wherein you acknowledge notice of the above-referenced claim. In your letter you request information that we may have concerning coverage positions taken by the underlying carriers and the extent of impairment of the underlying aggregate.

Our records indicate that Evanston Insurance Company has received our letter of May 27, 1998, in which we informed it that the Court denied without prejudice the motions filed by the U.S. Department of Justice (the "United States") and Coeur d'Alene Tribe (the "Tribe") seeking leave to amend their complaints to add our client, Group R Co., Inc., ("Group R") as a defendant. Consequently, Group R is not being added as a defendant at this time.

We had been working with our client to assemble the information you had requested in your letter of May 27, 1998. Despite the fact that Group R is not being added as a defendant at this time, we will continue to work with our client to assemble the information that you seek. Depending on whether the United States and the Tribe renew their motions to add Group R as a defendant or approach Group R for a settlement, we will provide you with the information that

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you seek. Please be advised that due to the size of the task, we do not expect to assemble all of the relevant information in the immediate future.

We will continue to monitor the litigation closely and will update you on any relevant developments.

If you have any questions or require any additional information, please do not hesitate to contact me or Michael David Lichtenstein of this office.

Very truly yours,



David M. Wissert

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cc: Michael David Lichtenstein, Esq.



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